

IN THE MATTER OF INTEREST ARBITRATION

BETWEEN)
)
CITY OF SHENANDOAH, IOWA,)
) Hugh J. Perry, Arbitrator
PUBLIC EMPLOYER,)
AND)
) Award issued: June 27, 2005
TEAMSTERS LOCAL 238,)
)
EMPLOYEE ORGANIZATION.)

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RELATIONS BOARD

APPEARANCES:

FOR CITY OF SHENANDOAH:
Jerry Thompson, Bargaining Representative

FOR TEAMSTERS LOCAL 238:
Mike Stanfill, Bargaining Representative

BACKGROUND

Teamsters Local 238 represents a city wide bargaining unit of employees of the City of Shenandoah, Iowa a community of 5,546 located in southwestern Iowa. There are 23 employees in the bargaining unit. They include police officers (3), dispatchers (4), fire truck drivers (3), park workers (2), water distribution workers (7), street workers (3) and a waste water workers (1). The parties are operating under an independent impasse procedure. They have bypassed Fact-finding and proceed directly to Arbitration. They have extended the impasse time-lines to allow for completion of this process. In making this award I have considered the provisions of Section 20.22(9) of the Public Employment Relations Act and will not set them forth here. The PERA requires that an Arbitrator, after consideration of these criteria, award the position of the party deemed the most reasonable on each impasse issue. At the hearing there was a difference of opinion on how the Union's proposals should be characterized. The City contended that the Union's proposal, although consisting of three different components was a Wage proposal. The Union considered its proposals to be Wages and Supplemental Pay. This issue is properly within the province of PERB and I will not decide it here. I will discuss the proposals on their own merits and rule accordingly. A hearing was held at the Shenandoah City Hall on June 20, 2005.

IMPASSE ISSUES

The issues to be decided are 1) an hourly wage increase 2) increased pay for water treatment, waste water treatment and water distribution certification and 3) longevity. As discussed above, the City contends that all three of these issues come within the impasse issue of WAGES. The Union argues that an hourly wage increase is WAGES and that an increase in certification pay and longevity constitute SUPPLEMENTAL PAY.

CURRENT CONTRACT

Wages: The parties have a wage schedule that provides as follows:

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>
Sergeant	\$15.02	\$15.54	\$16.12
Police Officer	\$13.92	\$14.10	\$14.49
Dispatcher	\$ 9.68	\$10.19	\$10.50
Fire Fighter	\$ 8.22	\$ 8.45	\$ 8.71
Park Worker	\$10.15	\$10.77	\$11.44
Sr. Water Field Worker	\$12.18	\$13.07	\$15.58
Water Field Worker	\$11.37	\$12.18	\$13.07
Sr. Street Worker	\$ 9.91	\$11.05	\$12.44
Street Worker	\$ 9.07	\$ 9.91	\$11.05
Sr. Sewer Worker	\$11.88	\$12.62	\$13.39
Custodian	\$11.49	\$12.08	\$12.70
Mechanic	\$13.94	\$14.64	\$15.41
Utility Worker	\$ 8.53	\$ 8.95	\$ 9.40
Laborer	\$ 9.07	\$ 9.82	\$10.32

Last year these employees received a \$.38/hour increase on July 1, 2004 and an additional \$.02/hour on January 10, 2005. As indicated above, not all of these positions are currently occupied.

Certification Pay: Employees currently working in water treatment or waste water treatment receive extra pay for their possession of a valid Water Treatment Certification, issued by the State of Iowa, as follows:

- Grade 1 - \$50 per month
- Grade 2 - \$50 per month (Total \$100)
- Grade 3 - \$50 per month (Total \$150)
- Grade 4 - \$50 per month (Total \$200)

Longevity: There is presently no longevity provision in the parties' contract.

PROPOSALS OF THE PARTIES

The **UNION** proposes that the Wages of these employees be increased by \$.50 per hour on July 1, 2005, that Certification pay for the waste water and water treatment employees be increased from the current \$50 per month to \$60 per month and that a Longevity plan be placed in the contract. Such Longevity plan would provide for payment as follows: \$.10/hour after 5 years of service, \$.15/hour after 10 years, \$.20/hour after 15 years, \$.25/hour after 20 years and \$.30/hour after 30 years.

The **CITY** proposes that the Wages of these employees be increased by \$.36 for each step in each range. It proposes that the Certification pay for waste water and water treatment employees

remain unchanged. The City resists the addition of Longevity pay into the contract.

CONTENTIONS OF THE PARTIES

The **Union** utilized a group of southern Iowa cities to make comparisons. It included Atlantic, Red Oak, Clarinda and Glenwood. The Union cited the Consumer Price Index for April of 2005, 3.5% and calculated a 3.5% increase on current wages. It pointed out that in many cases a 3.5% wage increase was closer to its \$.50/hour wage proposal than the \$.36/hour proposed by the City. The Union's data indicated that some Shenandoah employees were paid above the group average and some below, notably police officers and dispatchers. The Union pointed out that some City employees outside the bargaining unit had fared better than Union employees with respect to recent wage increases. It noted that most other comparable communities had a longevity plan of some sort and that its longevity was reasonable and justified by the data. It contended that increased certification pay for the waste water and water distribution employees was justified due to the increased training and responsibility that such certification entailed.

The **City** used a comparability group consisting of the Iowa communities of Cherokee, Clarinda, Glenwood, Harlan and Red Oak. It urged that Atlantic with a population of 7,257 is larger than the other communities and shouldn't be used as a comparable community. All of the cities used by the City for comparison purposes were in southern Iowa with the exception of Cherokee, which is located in northwest Iowa. The City contended that its offer of a \$.36 per hour wage increase was reasonable. It amounts to a 3% wage increase which exceeds the CPI for the previous 12 months, 2.8%, and is above the average wage increase of its comparable cities, 2.7%. The City calculated that the Union's proposal was 4.1% in wages plus an additional 3.4% in longevity and certification pay for a total proposal of 7.5% (\$43,338). Such is excessive and not supported by any of the data. The City costed its proposal as a total increase of 4.18% (\$24,245). The data provided by the City indicated that some positions in Shenandoah are paid better than their counterparts in comparable communities and some are paid less. The City points out that only one other comparable community, Cherokee, provides certification pay for its waste water and water distribution employees and that such pay is not as much as this pay in Shenandoah. While not contending that it is unable to fund the Union's asking, the City points out that its receipts are down, that its general fund cash balance is declining and that anything beyond a 3% increase here will require cutbacks in expenses or personnel. The City notes that its health insurance cost continues to increase (up 14% from 2004 to 2005).

DISCUSSION

Increased Certification pay - The data submitted indicates that few comparable cities pay extra for waste water and water distribution employees' certification. The other city that does provide this benefit pays less than Shenandoah. There is little evidence to support an increase in the certification pay for the waste water and water distribution employees. The current pay of \$50/month should continue.

Longevity - Most other comparable communities offer longevity pay in one form or another. However, I am not inclined to award the proposal of the Union for two basic reasons. To do so would be to increase the wages of these employees over 4% in a bargaining year when the average wage

adjustment appears to be closer to 3%. Further, Longevity is an item which is particularly susceptible to the give and take of bargaining. A reward to loyal long term employees, it is unclear what the Union has given or is willing to give to gain this contractual benefit. Under these circumstances, it would not be reasonable for me to award longevity pay. I commend it to the parties for next year's bargaining.

Wage Increase - Based on the data provided at the hearing, it is clear that the proposal of the City to increase these employee's wages by \$.36/hour or 3% is much closer to the average settlement this year obtained by similar employees in comparable communities than the Union's proposal to increase wages by \$.50/hour or 4.1%. The data does not support an increase of this magnitude, especially when considered with the request for increased certification pay and the longevity proposal. Awarding all of the Union's proposals would result in an increase of over 7%.

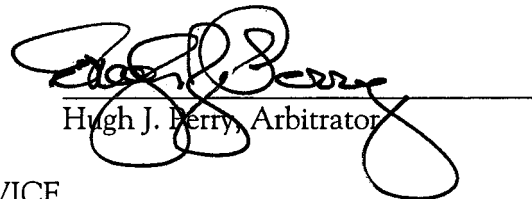
AWARD

Increased Certification Pay - The current \$50/month certification pay should continue.

Longevity - The Union's proposed longevity plan is not awarded.

Wage increase - The parties current wage schedule should be increased by \$.36 per step in each range effective July 1, 2005.

Signed this 29th day of June, 2005



Hugh J. Perry, Arbitrator

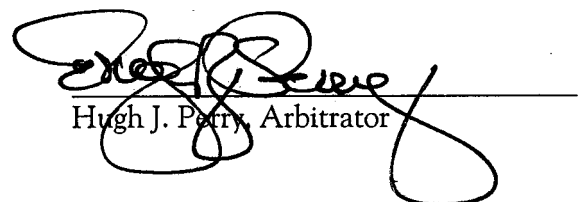
CERTIFICATE OF SERVICE

I certify that on the 27th day of June, 2005, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Jerry Thompson
Thompson and Associates
2813 Virginia Place
Des Moines, Iowa 50312

Mike Stanfill
Teamsters Local 238
2425 Delaware
Des Moines, Iowa 50317

I further certify that on the 27th day of June, 2005, I will submit this award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street Suite 1B, Des Moines, Iowa 50319.



Hugh J. Perry, Arbitrator